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Leg. Legislation SECRET

The Director

General Counsel

29 June 1948

GAO Relationships for Fiscal Year 1949

1. In view of the failure of Congress to pass the legislation needed for administrative support of CIA, a discussion was held today on procedures to be followed in the administration of CIA funds for the fiscal year 1949. Present at the discussion for GAO were: Mr. 25X1A9A
Fisher, General Counsel to the Comptroller General; Mr. 25X1A9A
Bell, Chief of the Audit Division of GAO; and [redacted] 25X1
25X1 [redacted] Present for CIA were:
Mr. Houston, General
Counsel; Mr. Pforzheimer, Assistant General Counsel;
25X1 [redacted] Chief, Budget and Finance Branch; and Mr.
25X1 [redacted] Deputy Chief, Budget and Finance Branch.

2. The history of CIA legislation through the last session of Congress was rehearsed, and Mr. Fisher stated that, while it was regrettable that the necessary authorities had not been granted, it was clear that Congress intended CIA to continue functioning as presently constituted and that there were adequate grounds on which GAO could continue its informal support of CIA until legisla- 25X1
tion was finally enacted.

[redacted]

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4. It was specifically pointed out to Mr. Fisher that, even though CIA did not have legislative authority to perform certain acts which the bill would have authorized, it might become necessary, in order to support CIA operations, to perform such acts during the interim period, and if the Director determined that such necessity existed, the acts would be performed [redacted]. Mr. Fisher acknowledged the possibility of such a situation, and though it is felt that it would be impossible for him to give official approval of such action, it is believed that there is agreement in principle by the Comptroller General's Office that operational necessity may require certain expenditures for which there is presently no basis in law. It is felt that the position taken by Mr. Fisher and the other representatives of the General Accounting Office is a satisfactory basis for administrative and fiscal support of CIA for the fiscal year 1949, or until adequate enabling legislation is obtained. 25X1

LAWRENCE R. HOUSTON

cc: Exec. for A&M
Chief, B&F Branch

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